

Message Text

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ACTION EUR-10

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LIMDIS

E.O. 11652: GDS, 12-31-79

TAGS: MCAP, MARR, NATO

SUBJECT: BURDEN-SHARING

SUMMARY: BELGIAN PERMREP CRITICIZED U.S. PERFORMANCE IN AND CONTRIBUTION TO CURRENT NATO BURDEN-SHARING STUDY DURING SEPTEMBER 18 PERMREPS LUNCH. MCAULIFFE RESPONDED BY CALLING FOR ACT OF POLITICAL WILL ON THE PART OF OUR ALLIES TO OVERCOME PROBLEMS ASSOCIATED WITH STATIONING OF U.S.TROOPS IN EUROPE IN THE COMMON DEFENSE. END SUMMARY.

1. BELGIAN PERMREP DE STAERCKE REFERRED TO IMPORTANT ISSUE OF ALLIANCE BURDEN-SHARING AT SEPTEMBER 18 PERMREP LUNCH. HE SAID HE UNDERSTOOD THAT THE NATO BURDEN-SHARING STUDY GROUP (BSSG) HAD JUST ABOUT FINISHED ITS WORK. RECENT DISCUSSIONS ABOUT BALANCE OF PAYMENTS, BUDGETARY COSTS, AND GNP HAD NOT GONE WELL. THE U.S. HAD NOT BEEN SPECIFIC ABOUT WHAT IT WISHED TO OBTAIN IN THE WAY OF RELIEF FROM ITS EUROPEAN ALLIES. THE FURTHER THE EXPERTS IN BSSG CONTINUED THEIR DELIBERATIONS, THE LESS WE KNEW.

2. DE STAERCKE CONTINUED THAT THE NUMBERS AND STATISTICS WERE BECOMING MORE CONFUSED AND OPEN TO QUESTION; AND THIS CONFIDENTIAL

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WAS, IN HIS VIEW, A VERY IMPORTANT MATTER WHICH COULD AFFECT PRESIDENT NIXON'S ABILITY TO MAINTAIN THE LEVEL OF U.S. FORCES STATIONED IN EUROPE. HE MADE AN URGENT PLEA FOR POLITICAL ANALYSIS OF THESE ISSUES, LEST A FAILURE IN THIS

AREA RENDER A PRESIDENTIAL VISIT IMPOSSIBLE.

3. DEPUTY SYG PANSA DEFENDED THE WORK OF THE BSSG, RECALLING IT HAD BEEN ASKED TO CODIFY THE QUESTIONS AT ISSUE, TO EXAMINE DIFFERENT SYSTEMS OF REMEDIAL MEASURES AND THEN TO PRESENT THE STUDY TO THE NAC. NATO HAD GONE ABOUT AS FAR AS IT COULD GO. THE BSSG REPORT WOULD REACH THE COUNCIL FAIRLY SHORTLY, AS SOON AS CERTAIN MISSING STATISTICS HAD BEEN PROVIDED. NOW IT HAD BECOME A QUESTION FOR GOVERNMENTS: WERE THEY PREPARED TO PROVIDE THE MONEY OR NOT?

4. DE STAERCKE RECALLED HIS QUESTIONING OF THE SUMS INVOLVED AND ASKED WHETHER THE U.S. COULD IDENTIFY SPECIFIC PLACES IN WHICH IT WANTED ASSISTANCE. HE THEN ASKED WHETHER IT WOULD NOT BE BETTER TO DEAL WITH THIS MATTER BILATERALLY BETWEEN THE GOVERNMENTS WHICH ARE AFFECTED BY BALANCE OF PAYMENTS LOSSES AND SURPLUSES.

5. MCAULIFFE (U.S.) RESPONDED BY RECALLING THE MEETING ATTENDED BY DE STAERCKE IN AMBASSADOR CLEVELAND'S RESIDENCE MORE THAN SIX YEARS AGO WHEN THE U.S., UK AND THE FRG WERE INVOLVED IN TRILATERAL TALKS. ON THAT OCCASION THE U.S. NEGOTIATOR, JOHN MCCLOY, ON HEARING COMPLAINTS FROM DE STAERCKE AND THE NETHERLANDS PERMREP THAT IMPORTANT STRATEGIC MATTERS WERE BEING DECIDED BY THREE ALLIES WITHOUT CONSULTATION WITH THE COUNCIL, HAD RESPONDED THAT ANY ALLY WHO WISHED TO DO SO MIGHT JOIN THE TRILATERAL TALKS PROVIDED THAT HE BROUGHT HIS CHECKBOOK WITH HIM.

6. CONTINUING ON A PERSONAL BASIS, MCAULIFFE SAID IT WAS INEXPLICABLE AND INTOLERABLE THAT ANY ALLY WHO RAISED TROOPS, EQUIPPED THEM, TRAINED THEM AND THEN POSITIONED THEM IN A FOREIGN COUNTRY TO IMPLEMENT THE AGREED STRATEGY OF 14/3, A STRATEGY OF FLEXIBLE RESPONSE AND FORWARD DEFENSE, SHOULD AS A RESULT OF HIS CONTRIBUTION TO THE COMMON ENDEAVOR SUFFER A NET WIND-FALL BOP LOSS ON MILITARY ACCOUNT. IT WAS EQUALLY UNFAIR THAT ANOTHER COUNTRY SHOULD, BECAUSE OF ITS GEOGRAPHIC CONFIDENTIAL

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POSITION, DERIVE A NET WIND-FALL GAIN FROM A FELLOW ALLY. THIS WAS A MATTER ON WHICH HE HAD BEEN UNABLE TO SATISFY HIMSELF AND IT WAS A MATTER WHICH HE COULD NOT EXPLAIN IN RATIONAL TERMS TO FELLOW AMERICAN CITIZENS OR TO VISITING SENATORS AND CONGRESSMEN. THIS SITUATION HAD BEEN UNFAIR IN YEARS PAST WHEN THE U.S. HAD ENJOYED AN OVERALL BALANCE OF PAYMENTS SURPLUS ON ITS TRADING ACCOUNT; IT WAS EQUALLY UNFAIR IN MORE RECENT YEARS WHEN THE U.S. GLOBAL BALANCE OF PAYMENTS HAD REVERSED ITSELF. THE PROBLEM HAD GONE ON YEAR AFTER YEAR, AND THERE SEEMED NO PROSPECT THAT IT WOULD EVER END.

7. MCAULIFFE POINTED OUT THAT NEITHER PRESIDENT NIXON, NOR AMBASSADOR RUMSFELD, NOR HE HIMSELF CAME TO THE COUNCIL AS

A MENDICANT. THE ALLIES KNEW THE DIMENSIONS OF THE PROBLEM. THE U.S. HAD NO PRESCRIPTION FOR ITS SOLUTION; IT WAS A SIMPLE QUESTION OF THE PRESENCE OR LACK OF POLITICAL WILL TO COPE WITH A WIDELY UNDERSTOOD PROBLEM. THOSE LIKE AMBASSADOR DE STAERCKE WHO HAD ATTENDED NAC MINISTERIAL MEETINGS IN YEARS PAST WOULD REMEMBER THAT ALLIED GOVERNMENTS WERE REPRESENTED AT THE TABLE AS APPROPRIATE BY THE FOREIGN MINISTER, THE DEFENSE MINISTER OR THE FINANCE MINISTER. IN RECENT TIMES, HOWEVER, FEW FINANCE MINISTERS HAD ATTENDED SUCH SESSIONS AND THIS PERHAPS WAS AN INDICATION OF THE ATTITUDE OF THE CERTAIN ALLIED GOVERNMENTS TOWARD THE ALLIANCE ITSELF WHEN IT CAME TO THE PROVISION OF RESOURCES.

8. MCAULIFFE AGREED WITH DE STAERCKE THAT THE DISCUSSION OF SUMS IN THE BSSG AMONG EXPERTS -- ACCOUNTANTS, ANALYSTS, AND STATISTICIANS -- MADE LESS AND LESS SENSE.

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